

# **CHAPTER 3**

## **KNYSNA IN CONTEXT OF NATIONAL, PROVINCIAL AND DISTRICT POLICIES & STRATEGIES**

### **3.1 INTRODUCTION**

The Local Government: Municipal Systems Act No. 32 of 2000, Chapter 05 Section 24, states that all Municipalities must comply with the following key planning imperatives at all times:

- “(1) The planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government contained in section 41 of the Constitution.
- (2) Municipalities must participate in national and provincial development programmes as required in section 153(b) of the Constitution”.

Furthermore in the Local Government: Municipal Planning and Performance Management Regulations of 2001, Chapter 2 states that the Municipality must identify “all known projects, plans and programmes to be implemented within the municipality by any organ of state”.

These are clearly key planning assumptions for Knysna Municipality in the development of their Integrated Development Plan (“IDP”). This is progressive planning rationale and it had been locked on a simple legislative framework to ensure consistence and an enhanced quality of the IDP.

The principle of co-operative governance underpins this development planning rationale. Cooperative governance is enshrined in the Constitution of the Republic of South Africa as a practice for maximum benefit. “The IDP in context” chapter seeks to identify those elements of convergence between the different plans, projects and programmes at the district, provincial and the national levels.

### 3.2 THE VALUE OF PLANNING ALIGNMENT

The capital markets for municipalities have become extremely complex and difficult to access. A common basis for this has been the narrow tax base which is adversely affecting the majority of municipalities in the country. Knysna Municipality has been extremely successful in the collection of its revenue, despite the fact that it is still heavily challenged by the need to broaden its focus base in order to meet the huge infrastructure backlogs with which it is faced.

The rapid growth of the area has also sparked a regressive response by some of the key variables in a healthy local economy. The growth of informal settlements, which is paralleled by worsened composite human needs by the households, is a major concern. This is the emergence of a second economy.

Equally the rapid growth seems to be outstripping the Municipal Infrastructure's absorptive capacity and, as such, places a big capital burden on the Municipality. This burden requires a substantial response by the Municipality to address the challenges of bulk infrastructure and reticulation infrastructure needs.

Clearly, it is quite apparent that the Municipality will not be able to meet the challenges flowing from the above situation and thus it will be necessary to look beyond its own means and perhaps the traditional funding sources.

High levels of creativity will be a key ingredient of any strategic response to these massive challenges which have a strong possibility of bringing down the Knysna Municipality. It is quite clear that various key strategies and plans are required to gear for maximum utilization of the resources available. The following major benefits are a direct consequence of the recognition of the different sets of plans of other government departments.

#### **i. Duplication of Initiative**

Knysna Municipality's IDP must ensure that cognizance is given to the relevant government departments and their respective plans. The IDP should be based on and aligned with all plans in place by the different government departments with resource allocations at their respective levels. The powers and functions of the different spheres of government are key tools to avert duplication of initiatives and the funding related to those initiatives.

#### **ii. Horizontal and Vertical Co-ordination**

A key prerequisite of a sound strategy by overall government would be its ability to ensure that all development intentions, irrespective of where they are located, dovetail as the lack of horizontal co-ordination tends to translate into destructive competition. The underlying message regarding this unintentional competition is one of unreliable returns and to achieve reliable returns, i.e. *private investors and donors*, to the extent by which the plans are coherent and consistent irrespective of the angle at which they are looked. Potential alternative sources of capital view political and environmental stability as a key and are not prepared to cushion risks that are often associated with those factors.

The same rationale applies to horizontal co-ordination. The abovementioned pieces of legislation encompass the responsibilities of the other spheres of government and include local government. The Local Government: Municipal Systems Act No. 32 of 2000, Chapter 5, Section 24, states that:

“(3) If municipalities are required to comply with planning requirements in terms of national or provincial legislation, the responsible organs of state must –

- (a) Align the implementation of that legislation with the provisions of this chapter; and
- (b) In such implementation-
  - (i) Consult with the affected municipality; and
  - (ii) Take reasonable steps to assist the municipality to meet the time limit mentioned in Section 25, and the other requirements of this Chapter, applicable to its integrated development plan.”

In other words, this gives responsibility, inter alia, to other organs of state to ensure that, in pursuit of their plans, they ensure that those departments have expression on the Integrated Development Plans of the Municipalities, which is Knysna Municipality in our case.

### **iii. Efficient utilization of limited resource**

It is the practice in all organs of state to align their resources with the plans that they are developing. This, therefore, means that if Knysna Municipality successfully develops a plan that is organically linked to the plans of other government departments and equally, so those organizations have plans that are aligned with Knysna Municipality's plan – there is always a strong possibility for economies of scale which would result in huge impact in the societies. Aligned plans ensure that resources are creatively harnessed and, as such, a lot more is achieved than would have been had there been a piecemeal approach.

The Knysna Municipality's IDP should serve as a platform for all the spheres of government to converge and define the development path of a particular area. The three main funding sources for the IDP would be the Municipality's own income (tax base), conditional and unconditional grants, and lastly, the Provincial and National governments' financial interventions. The third one is of key importance and the alignment of these planning instruments in the different spheres of government should enable this level to achieve maximum utilization of the limited resources.

## **3.3 KEY PLANNING INSTRUMENTS FOR CONSIDERATION**

Knysna recognizes the following plans and programmes as important for consideration:

### **i. National Level**

- Accelerated and shared growth initiative of Southern Africa
- Millennium Development Goals

### **ii. Provincial Level**

- Ikapa Elihlumayo
- Western Cape Spatial Development Framework

### **iii. District Level**

- Eden District Municipality IDP

### **iv. Municipal Level**

- Knysna 2020 Vision

### **3.4. THE INSTRUMENTS IN PERSPECTIVE AND THEIR CONVERGENCE**

As reflected earlier, this section will identify the relationship between the Knysna Integrated Development Plan and the other key planning instruments from the National, Provincial and the District Government levels.

The instruments aligned to the IDP are those perceived to be key, which have a cross cutting effect at the other levels of government. They currently occupy the centre stage at their respective spheres of government and they seem to have an overarching (over-reaching or umbrella) role. Since the IDP is an evolutionary document, these plans and programmes will be reviewed accordingly as time progresses. Furthermore, alignment between the Knysna IDP and these plans would be clearly illustrated.

A brief overview of each and every plan is key and thereafter a summary of key strategic issues flowing from each of those plans must be undertaken with a clear diagrammatical illustration of alignment issues.

#### **3.4.1 Knysna IDP and Accelerated and Shared Growth Initiative for South Africa ("ASGISA")**

Through ASGISA, the South African government seeks to halve poverty and unemployment by 2014. To realise such fundamental objectives, the growth of our economy is important. Whether these objectives are realistic or not, may best be illustrated by the growth trends of the South African economy since 1994. Before 1994, the South African economy averaged less than 1%. During the period from 1994 to 2004, the GDP averaged 3%. After 1994, the economy averaged 4% and during the year 2005, it has been able to reach the 2005 level. During the second quarter of the current year (2006), GDP hit the 4, 6% growth marks.

This performance could be attributed mainly to huge capital inflows which were registered at R80bn from the period 2003 to 2005. This foreign investment has been paralleled by huge volumes of foreign direct investments. Up to 2005, 540 000 jobs were created in South Africa.

These are the economic realities against which ASGISA seeks to realize its objective of halving poverty and unemployment by 2014. For this to be realized, the economic argument suggests that a specific growth level of 6% must parallel these targets. ASGISA intends to realize this on a phased approach with 4, 5% growth between 2005 to 2009 and 06% between 2009 to 2014.

The volatility of the rand, skills scarcity, a costly and ineffective logistics frame, the organizational capacity of the state, barriers to entry in some sectors of the economy, legislative burden and access to capital by SMME's, are some of the obstacles in reaching the target and thus realizing the ASGISA.

ASGISA proactively proposes responses to these problems which include infrastructure development, sector strategies, skills development, macro economic issues, public administration issues and second economy issues. It is within this context that Knysna IDP must seek alignment with ASGISA. The programmatic areas for ASGISA flows from this thinking and KNYSNA IDP, as a local planning instrument, must determine the extent to which it has a direct/indirect relationship with ASGISA.

Table 30: Convergence between Knysna IDP and ASGISA

ASGISA OBJECTIVE AREA	ASGISA STRATEGY	KNYSNA IDP OBJECTIVE AREA	KNYSNA IDP POSSIBLE STRATEGIES AND PROJECTS
Costs and efficiency of the logistics system	Infrastructure investment through the Municipal Infrastructure Grant	Reduction of infrastructure backlogs i.e. water, roads, electricity etc	Water infrastructure rollout
	Eskom Capitalisation Programme		Roads development and maintenance
	Provincial Infrastructure Grant		Bulk electricity infrastructure
	South African broadband network		Knysna Wireless network
Volatile currency, SMME growth and barriers to entry in certain economic sectors	Address second economy issues	Promotion of Local Economic Development with specific focus on shared growth	Neighbourhood revitalization programme which is focusing on the historically disadvantaged communities.
	Sector Strategies		Investigation of the Agro Processing Potential
	➤ Business procession output		Tourism development projects
	➤ Tourism		Investigate the viability of a call centre in Knysna
	➤ Agro processing		
	➤ Bio fuel		
	➤ Wood, pulp and paper		

Source: Knysna Municipality IDP (2007 – 2011)

Clearly from the above graphical illustration of possible points of convergence, the Infrastructure provision, which has high priority in terms of Knysna's development intentions, finds expression in the ASGISA. Also, another key objective for developmental local government, i.e. promotion of LED, is coming out strongly in the ASGISA.

### 3.4.2 Knysna IDP and the Millennium Development Goals

The Knysna Municipal area wrestles with the challenge of promoting development that ensures benefits for all, whilst preserving biodiversity and environmentally sensitive issues. The balance between these two variables is extremely complex. The urban edge discussion on the draft Spatial Development Framework raises this dilemma again. The Spatial Framework must assist the Municipality to make correct and well thought out spatial choices, as opposed to being more regulatory. The Millennium Development Goals seek to ensure environmental sustainability in South Africa and the world.

In September 2000, 189 countries, including the Republic of South Africa, committed to the Millennium Declaration. This declaration sets out clear targets which are intended to be met by the year 2015. From the above, it is clear that there must be a consistency in planning between ASGISA and MDG. ASGISA would like to halve poverty and unemployment by 2014, and that is one of the eight MDGs. The timeframes of ASGISA are clearly responsive to those of the MDG and Knysna Municipal IDP must follow the trend.

Table 31: Millenium Development Goals / Municipal IDP Alignment

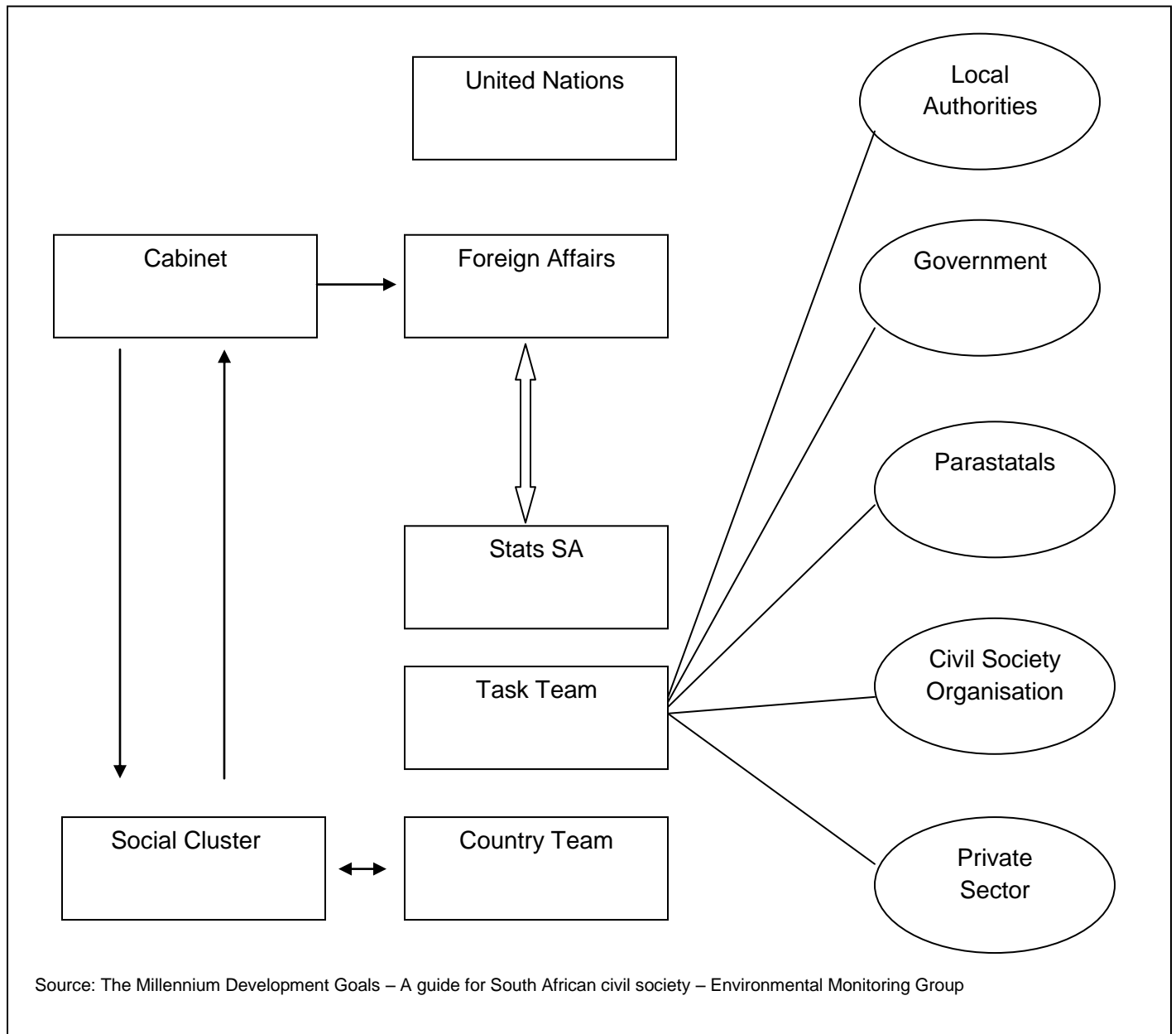
MDG 01	Eradicate extreme poverty and hunger	Knysna Municipal IDP Objective	A caring and contented town
MDG 02	Achieve universal primary education	Knysna Municipal IDP Objective	A dynamic and welcoming town
MDG 03	Promote gender equality and empower women	Knysna Municipal IDP Objective	A caring and contented town
MDG 04	Reduce child mortality	Knysna Municipal IDP Objective	A caring and contented town
MDG 05	Improve maternal health	Knysna Municipal IDP Objective	A caring and contented town
MDG 06	Combat HIV/AIDS, malaria and other diseases	Knysna Municipal IDP Objective	A caring and contented town
MDG 07	Ensure environmental sustainability	Knysna Municipal IDP Objective	An attractive and sustainable town
MDG 08	Develop a global partnership for development	Knysna Municipal IDP Objective	A reliably functioning town

Where there is convergence between the Millennium Development Goals and the Knysna Municipal IDP, the indicators that are flowing from the MDG must be utilized. The Millennium Development has 18 indicators that, as part of ensuring the IDP is responsive to other overarching plans, would be utilized for those specific IDP Objectives to which they relate.

In trying to ensure that the MDG is filtered down to the community level and is localized, the above relationship would have to be cascaded to the level of those indicators. The localization will help accelerate South Africa's capacity to deliver on those goals. Another significant benefit of the localization process is that it would minimize resistance to the implementation of the Millennium Development Goals and further ensure that ownership is by the communities at large, irrespective of where they are.

The Millennium Development Goals – A guide for South African civil society undertaken by the Environmental Monitoring Group in 2005 provides a schematic illustration of how the MDG process works in South Africa and it gives pointers to the specific area of Local Authorities.

Figure 33: Millenium Development Goals and Organisations



From Knysna Municipality's point of view, its commitment to spend or at least plan in accordance with such progressive world instruments will position the Municipality extremely well, in terms of significantly addressing the plight of poor people, by ensuring that its thinking is aligned and thus could be funded anywhere within the Republic of South Africa.

### 3.4.3 Knysna IDP and IKAPA ELIHLUMAYO

IKAPA ELIHLUMAYO is the principal guide for the development trajectory of the Province of the Western Cape. This plan recognizes the need for a holistic and comprehensive approach with regard to the development of the Western Cape. The issues flowing from ASGISA, particularly regarding shared growth and the need to bridge the gap between the rich and the poor, are embraced in the IKAPA ELIHLUMAYO.

This plan emphasises the vision of dignity, prosperity and equity, which invariably force the radical change in the spending priorities of the Provincial Government. This has been done in line with the Socio Economic conditions and the National Policy priorities of the Republic of South Africa.

In pursuit of the above noble intentions, the following eight objectives would be the key drivers of the IKAPA ELIHLUMAYO programme and, as the IDP document depicts, it would be done in comparison with IKAPA ELIHLUMAYO and Knysna IDP:

Table 3.3: Ikapa Elihlumayo and Knysna Municipal IDP

Building Human Capital with an emphasis on youth	↔	Safe, Healthy and Well Trained Staff Business Process Improvement
Micro Economic Strategy	↔	Business Process Improvement Local Business Growth Deepening the Tourism Supply Chain
Building Social Capital with an emphasis on youth	↔	Social Development and Community Safety HIV/AIDS Targeted Development of Deprived Areas
Strategic Infrastructure Investment	↔	Bulk Infrastructure Exploring Service Partnerships
Provincial Spatial Development Framework	↔	Spatial Direction
Co-ordination and Communication	↔	No IDP Programme linked to this
Improving Financial Governance	↔	Revenue Enhancement Expenditure Reform Long-term Financial Prosperity
Provincialisation of Municipal rendered services	↔	Exploring Service Partnerships

Source: Knysna Municipality IDP (2007 – 2011)



## **Western Cape Spatial Development Framework and Knysna IDP**

The Western Cape Spatial Development Framework flows directly from IKAPA ELIHLUMAYO which is the Western Cape Provincial Growth and Development Plan ("WCSDP"). At the heart of the WCSDP is a recognition of the need to redress the apartheid past in settlement patterns.

Through this framework, the Provincial Government hopes to strike a sound balance between progressive community growth and the environmental preservation of the communities.

The WCSDP seeks to be a spatial expression of the Provincial Growth and Development Plan.

Equally, the Knysna Spatial Development Framework, which is an overarching document in the Knysna IDP, must be a mirrored expression of the development intentions of Knysna Municipality as expressed in the IDP. The Western Cape Spatial Development Framework must serve as a guide to the Knysna IDP and equally the Knysna SDF must be aligned with the WCSDP.

The Province and the Municipality need the SDF particularly for purposes of ensuring sustainable environment for enhanced absorptive capacity of future human development needs, strategic response to topographical issues and historic issues, accompanying socio economic manifestations and determination of spatial and other issues.

This definitely reaffirms a relationship between the Western Cape Spatial Development Framework and the Knysna Municipality Spatial Development Framework. Whilst the Western Cape Spatial Development Framework is a Provincial Wide Strategy, the Knysna Municipal SDF is a Municipal Wide response to spatial development issues.

In pursuit of its strategic intentions the Western Cape Spatial Development Framework includes the following strategic objectives which could find a direct expression in the Knysna Spatial Development Framework and Knysna IDP.

### **STRATEGIC OBJECTIVE NO. 1**

**Align the future settlement patterns of the province with economic potential and the location of environmental resources**

In line with this strategic objective, the Knysna Spatial Development Framework recognizes a need for the undertaking of a study that will deal with Integrated Human Settlement. It is within the context of such a study that tangible projects geared at addressing strategic settlement would be addressed.

### **STRATEGIC OBJECTIVE NO. 2**

**Deliver Human Development and Basic Needs Programmes wherever they may be Required**

Both the Knysna Integrated Development Plan and the Knysna Spatial Development Framework have targeted the development of deprived communities amongst key areas of intervention. These interventions are referred to as the Neighbourhood Revitalisation Programme.

### **STRATEGIC OBJECTIVE NO. 3**

#### **Strategically Invest Scarce Public Sector Resources where they will generate the highest Socio-economic returns**

Knysna IDP recognizes the challenge of leveraging its own resources to encourage partnerships with the private sector to boost employment and to foster SMME's. The Municipality has created a platform, i.e. Social Dialogue, which is intended to find creative and appropriate ways in which it may stimulate local economic development and to broaden the economic base of the town.

### **STRATEGIC OBJECTIVE NO. 4**

#### **Support Land Reform**

In line with this Strategic Objective, Knysna Integrated Development Plan must address the challenge of lack of or no access to land for development.

### **STRATEGIC OBJECTIVE NO. 5**

#### **Conserve and strengthen the sense of place of important natural, cultural and productive landscapes, artifacts and buildings**

The Knysna IDP states that it seeks to increase the Council's efforts to conserve the sensitive eco-systems on which Knysna relies, which means working with public and private property owners, NGO's and environmental specialists.

### **STRATEGIC OBJECTIVE NO. 6**

#### **End Apartheid Structure of Urban Settlement**

The Knysna IDP states that, through the SDF, it seeks to facilitate appropriate development Which is responsive to the economic development framework of the Municipality. This specifically includes extensive land uses and realization of an integrated human settlement that redresses the historic settlement patterns.

### **STRATEGIC OBJECTIVE NO. 7**

#### **Conveniently locate urban activities and promote public and non-motorized transport**

The Knysna IDP does not provide for a concrete plan in this regard.

### **STRATEGIC OBJECTIVE NO. 8**

#### **Protect Biodiversity and Agricultural Resources**

This strategic objective dealing with the environment recognizes the need for the town to develop a framework for everyone to follow, so that the use of natural resources is in a responsible and equitable way.

## STRATEGIC OBJECTIVE NO. 9

**Minimise the consumption of scarce environmental resources, particularly water, fuel, building materials, mineral resources, electricity and land**

The Knysna IDP does not provide for a comprehensive response to these issues.

### 3.4.5 Knysna IDP and Eden DM IDP

EDEN DISTRICT MUNICIPALITY
➤ Governance and Institutional Development
➤ Finance and Resource Mobilisation
KNYSNA IDP
➤ A new rates policy based on equity and affordability will be introduced in tandem with a new General Valuation Roll. Financial reform will continue to seek to address affordability and sustainability. The principles of Masakhane will be applied and Council will provide support to indigent households where appropriate.
➤ Capital expenditure will be targeted at bulk infrastructure, the poor and deprived areas. Value for money will become a guiding principle in all expenditure decisions undertaken by Council. Greater inclusivity in the expenditure process will be targeted by the Council's BEE and Procurement Policies.
➤ A proper mix of own revenue, together with grant and borrowed monies, will be maintained to ensure the town does not fall into financial crisis. Long-term expenditure will only be undertaken if the financial implications are known, affordable and achievable.
➤ Knysna Municipality will strive to be a responsive Municipality. People must be able to raise issues, complaints and suggestions, and get a swift response. Every staff member will adopt the Batho Pele-principles.

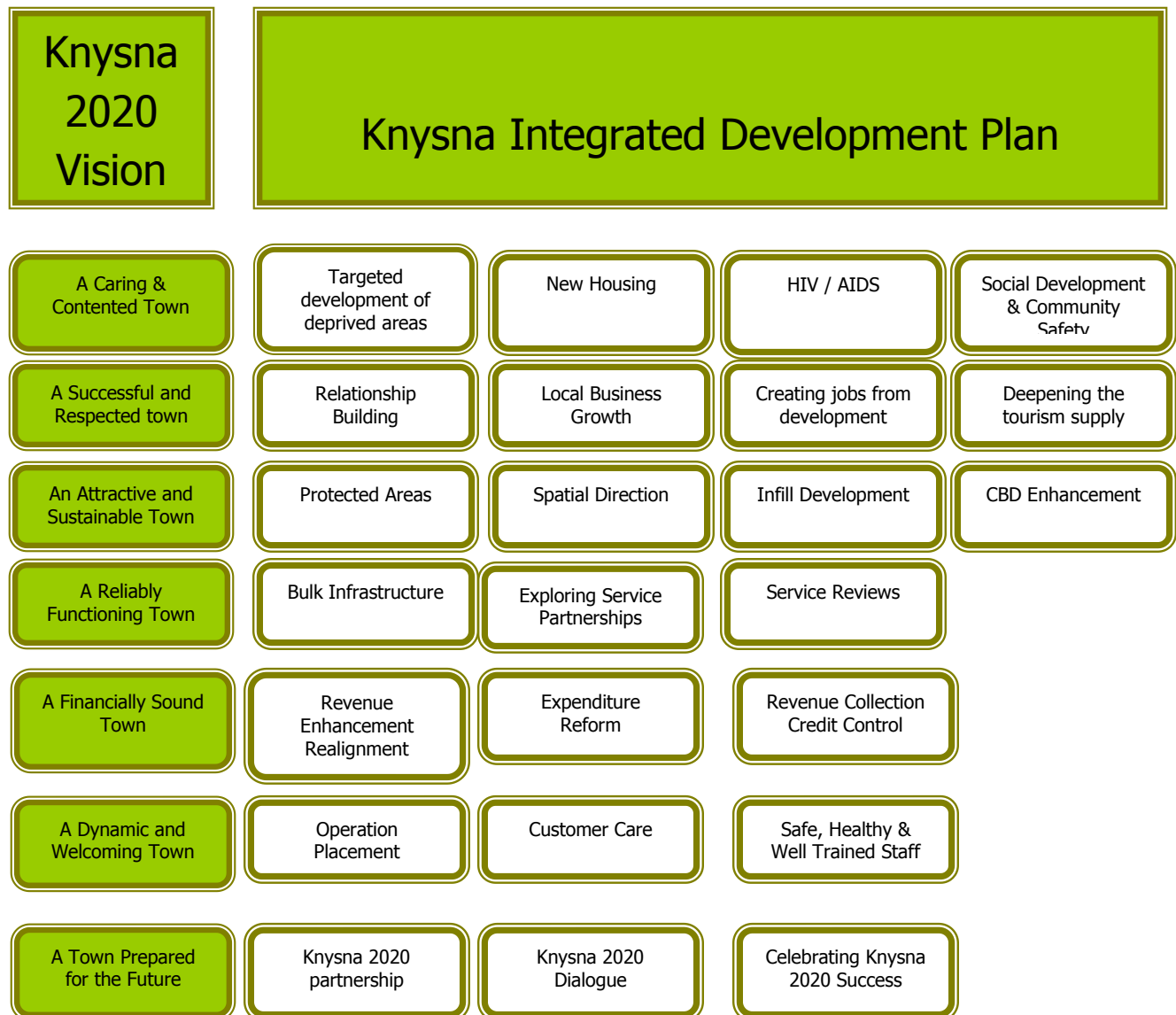
EDEN DISTRICT MUNICIPALITY
➤ Economic Development and Tourism
KNYSNA IDP
➤ Knysna Municipality will seek access to advice and finance available through Provincial and National schemes. The Red Door project will be fully supported.
➤ Maximum work opportunities must be extracted from new development. There will be a specific focus on business opportunities in the "townships".
➤ Knysna Municipality intends to promote "developmental tourism" and involve those previously excluded in tourism ventures. In addition, the whole value chain linked to tourism will provide opportunities for sourcing more goods and services locally.

<b>EDEN DISTRICT MUNICIPALITY</b>
Community, Social and Human Capital Development
<b>KNYSNA IDP</b>
➤ The Knysna Municipality will be involved in the prevention of infection and the care of people infected with HIV/AIDS through a partnership with relevant NGO's. The AIDS in the workplace policy will continue to be implemented.
➤ Knysna Municipality intends to develop a Law Enforcement Strategy.
➤ Knysna IDP provides for the management and implementation of the Disaster Management Plan.
➤ Knysna Municipality through its IDP intends to adopt a Youth and Gender Policy and further ensure that initiatives which are meant to provide meaningful opportunities are identified.
➤ A policy to provide affordable and accessible services for the elderly will be developed.

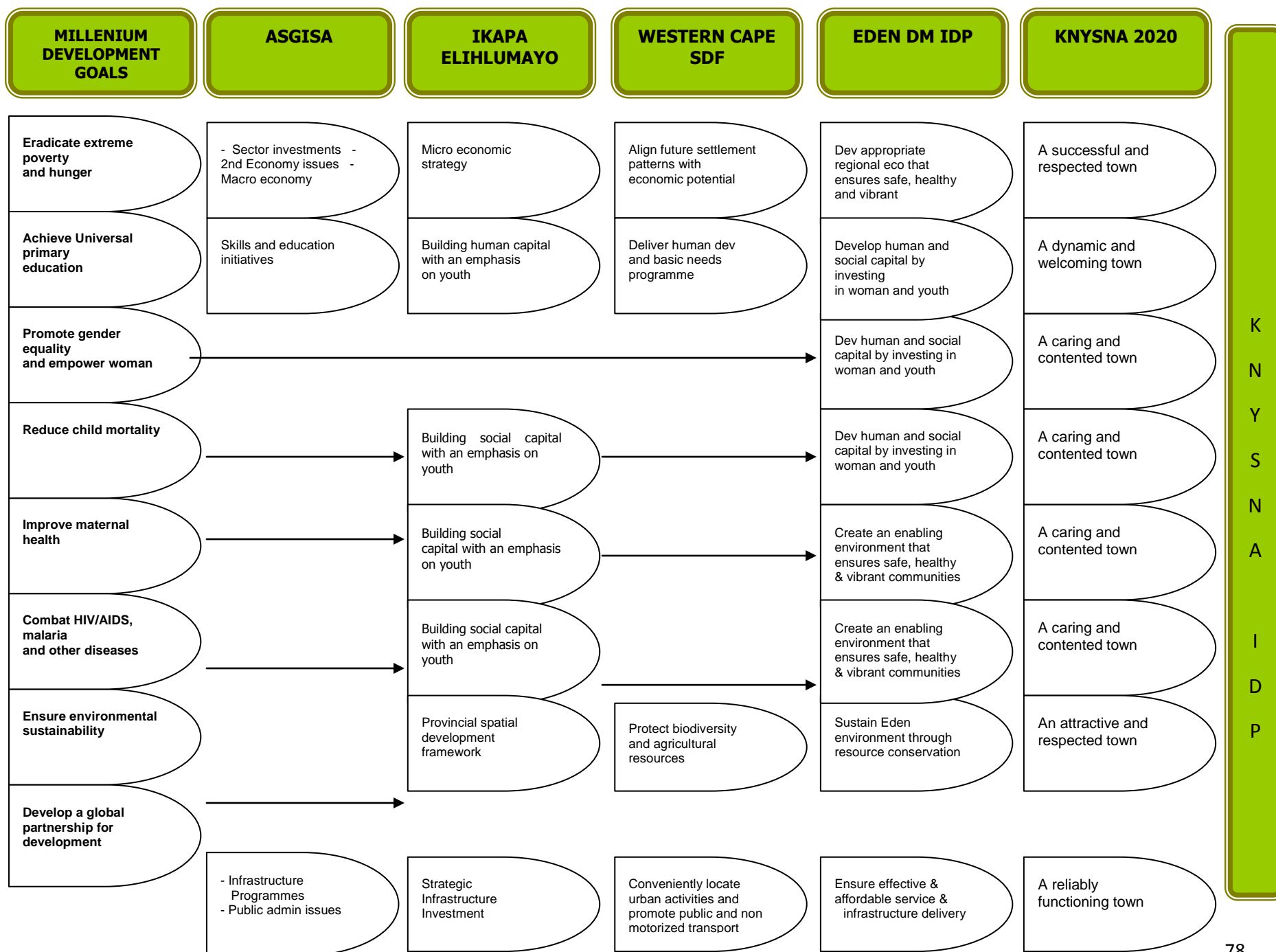
<b>EDEN DISTRICT MUNICIPALITY</b>
➤ Infrastructure, Public Works and Transport development.
<b>KNYSNA IDP</b>
➤ Knysna Municipality intends to do a long-term demand assessment of services required.
➤ New investment would be needed to ensure that water, sanitation; electricity and roads will be provided economically and efficiently. There will be a specific focus on the Knysna Bypass.

<b>EDEN DISTRICT MUNICIPALITY</b>
➤ Environmental Management and Spatial Development
<b>KNYSNA IDP</b>
➤ Knysna Municipality will increase its efforts to conserve the sensitive eco-systems on which Knysna relies. This means working with public and private property owners, NGO's and environmental specialists.
➤ A spatial plan (SDF) will be completed to guide appropriate development. This specifically includes extensive land uses such as golf estates and the rural hinterland of Knysna and Sedgefield.
➤ Municipal land has been audited and will be used to create more dense and efficient settlement patterns. Infill schemes, properly regulated, can be used to give access to people previously excluded from developed areas.

### 3.4.6 KNYSNA 2020 AND KNYSNA IDP



## ALIGNMENT OF STRATEGIES & POLICIES



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